POLS 4790H Politics of the Financial Crisis

Topic 4: The Buildup to the Banking Crisis of 2008: Subprime Mortgages, Securitization, and Fannie and Freddie

1. The Basics of Securitization

2. The Shadow Banking System -- Sale and Repurchase Market ("REPO")

3. The Rise Subprime Mortgages, the need for collateral, and their role in the Shadow Banking System

4. The Big Short -- Why did no one "catch on" to the looming disaster?

5. Reckless Endangerment -- The Role of Fannie, Freddie, and Congress in Fueling the Bonfire